

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS - EASTERN DIVISION

In re:) Chapter 11
)
EHC, LLC,) Case No. 15-40866
)
Debtor.) Honorable Jacqueline P. Cox

**COVER SHEET FOR FINAL APPLICATION
FOR PROFESSIONAL COMPENSATION
OF BAUCH & MICHAELS, LLC**

Name of Applicant: Bauch & Michaels, LLC
Authorized to Provide
Professional Services to: Debtor
Date of Order Authorizing Employment: Feb. 19, 2016 (nunc pro tunc to Jan. 25, 2016) [ECF No. 91]
Period for Which Compensation is Sought: Jan. 25, 2016 – Apr. 12, 2016
Amount of Fees Sought: \$73,432.00
Amount of Expense Reimbursement Sought: \$601.04
This is a(n): Interim Application _____
Final Application X

If this is not the first application filed herein by this professional, disclose as to all prior fee applications: N/A

The aggregate amount of fees and expenses paid to the Applicant to date for services rendered and expenses incurred herein is \$25,000.00.

Applicant: Bauch & Michaels, LLC

Dated: June 8, 2016

By: /s/ Paul M. Bauch

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NOTICE OF APPLICATION

PLEASE TAKE NOTICE that on June 29, 2016, at 1:00 p.m., we shall appear before the Honorable Jacqueline P. Cox, or any judge sitting in her stead, in courtroom 680, at 219 South Dearborn Street, Chicago, Illinois 60604, and then and there present the *Final Application for Allowance of Compensation to Bauch & Michaels, LLC, Attorneys for the Debtor in Possession*. The Application seeks an award of compensation to Bauch & Michaels, LLC in the amount of \$73,432.00 and the reimbursement of \$601.04 of expenses.

Dated: June 8, 2016

Bauch & Michaels, LLC,

By: /s/ Paul M. Bauch
One of Its Attorneys

Paul M. Bauch (ARDC #6196619)
Carolina Y. Sales (ARDC #6287277)
BAUCH & MICHAELS, LLC
53 W. Jackson Boulevard, Suite 1115
Chicago, Illinois 60604
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CERTIFICATE OF SERVICE

The undersigned attorney certifies that on June 8, 2016, we caused this document to be served upon the persons identified on the attached service list by electronically delivering a copy through the Court's CM/ECF filing system.

/s/ Paul M. Bauch

SERVICE LIST

Christopher Bargione on behalf of Creditor Marlene N Voegel
email@cb-law.com

Christopher Bargione on behalf of Creditor Robert Rothstein
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Paul Catanese on behalf of Interested Party Sprintcom, Inc. d/b/a Sprint
pcatanese@mcguirewoods.com, docket@mcguirewoods.com

Nikola Duric on behalf of Debtor 1 EHC, LLC
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Lawrence M Karlin on behalf of Creditor 36 Holdings LLC
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Stephen G. Wolfe
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Daniel R Lombard on behalf of Interested Party McDonald's Corporation
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Robert Seltzer on behalf of Creditor SEIU National Industry Pension Fund
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IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS - EASTERN DIVISION

In re:)	Chapter 11
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EHC, LLC,)	Case No. 15-40866
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Debtor.)	Honorable Jacqueline P. Cox

**APPLICATION FOR FINAL ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES TO THE ATTORNEYS FOR THE DEBTOR**

Bauch & Michaels, LLC (“Bauch & Michaels”), former attorneys for EHC, LLC (“EHC” or the “Debtor”), pursuant to 11 U.S.C. §§ 330, 331, 506(c) and 507(a)(1), requests a final award of compensation for professional services and reimbursement of out-of-pocket expenses during the period January 25, 2016 through April 12, 2016 (the “Application Period”).

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O).

BACKGROUND

2. On December 1, 2015, EHC filed a voluntary chapter 11 petition. Nikola Duric (“Duric”) represented EHC in connection with the filing of the case. On December 22, 2015, Duric filed an application for retention [ECF No. 28]. On January 21, 2016, the Court denied Duric’s application for retention [ECF No. 63].

3. On January 29, 2016, Bauch & Michaels filed an application for retention [ECF No. 73] and thereafter attended the continued meeting of creditors

and filed amended schedules and statements of financial affairs for EHC [ECF Nos. 79-82, 85]. On February 17, 2016, Bauch & Michaels filed a motion for bid procedures (the “Sale Procedures Motion”) for the sale of EHC’s real property located at 36 West Randolph Street, Chicago, Illinois 60601 (the “Randolph Property”). The Sale Procedures Motion superseded the prior motion to sell the Randolph Property that Duric filed on behalf of EHC on January 20, 2016 [ECF No. 56]. On February 19, 2016, this Court granted Bauch & Michaels’ application for retention nunc pro tunc to January 25, 2016 [ECF No. 91].

4. Bauch & Michaels then obtained 36 Holdings’ consent to a series of cash collateral orders and filed a response to 36 Holdings’ motion to dismiss [ECF No. 118]; a reply in support of the Bid Procedures Motion [ECF No. 127]; and a plan and disclosure statement [ECF No. 147 & 148]. On March 17, 2016, the United States Trustee withdrew its motion to convert or dismiss [ECF No. 138]. On March 18, 2016, this Court entered an order setting the Bid Procedures Motion and 36 Holdings’ motion to dismiss for an evidentiary hearing [ECF No. 139].

5. On April 12, 2016, pursuant to EHC’s request, Bauch & Michaels consented to the dismissal of EHC’s bankruptcy case and did not object to a six-month bar to refiling. On May 26, 2016, Bauch & Michaels filed a motion to withdraw as attorneys of record for EHC [ECF No. 187]. On June 2, 2016, the Court granted the motion to withdraw [ECF No. 192].

6. Bauch & Michaels is an Illinois limited liability company engaged in the practice of law, which maintains its principal office at 53 West Jackson

Boulevard, Suite 1115, in Chicago, Illinois. Bauch & Michaels received an initial retainer of \$25,000.00. This is the first and final Application for compensation and reimbursement filed by Bauch & Michaels in this case for services provided and expenses incurred in connection with this case.

7. Bauch & Michaels' Application describes in detail the services it provided to the Debtor and the time spent in connection with the rendering of those services during the Application Period. In order to aid the Court in its review of the requested compensation and reimbursement, Bauch & Michaels has divided its Application into three parts. Part I describes the substantive matters and issues encountered by Bauch & Michaels in its representation of the Debtor, the actions that Bauch & Michaels took to address and resolve issues arising therein, and the results which were obtained. Part II describes each particular attorney's qualifications and areas of special expertise. Part III describes the manner in which the fees and costs were calculated.

I. SERVICES PERFORMED

A. Bankruptcy

8. Bauch & Michaels provided services to the Debtor related to the general administration of this case. Bauch & Michaels provided services to the Debtor in connection with the Debtor's case strategy, 36 Holdings' motion for adequate protection and motion to dismiss, and the dismissal of the Debtor's adversary proceedings.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	19.60	\$7,840.00

Kenneth A. Michaels Jr.	375.00	1.40	525.00
Carolina Y. Sales	240.00	15.00	3,600.00
TOTALS		36.00	\$11,965.00

Amount Requested: \$11,965.00

B. Cash Collateral

9. Bauch & Michaels provided services to the Debtor in connection with obtaining authority to use cash collateral to pay various expenses relating to the continued operation of its business. These services included conferring with the Debtor and 36 Holdings, reviewing operating budgets, filing a cash collateral motion, and preparing interim cash collateral orders.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	5.70	2,280.00
Kenneth A. Michaels Jr.	375.00	0.00	0.00
Carolina Y. Sales	240.00	11.80	2,832.00
TOTALS		17.50	\$5,112.00

Amount Requested: \$5,112.00

C. Plan & Disclosure Statement

10. Bauch & Michaels provided services in connection with the Debtor's plan and disclosure statement. These services included drafting and amending the plan and disclosure statement, conferences and emails with the Debtor and creditors regarding the plan terms, and attending various hearings.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	2.10	840.00
Kenneth A. Michaels Jr.	375.00	0.00	0.00
Carolina Y. Sales	240.00	10.20	2,448.00
TOTALS		12.30	\$3,288.00

Amount Requested: \$3,288.00

D. Professionals

11. Bauch & Michaels provided services in connection with the retention of professionals. These services included the preparation of the application and affidavit in support of the retention of Bauch & Michaels.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	.50	\$200.00
Kenneth A. Michaels Jr.	375.00	0.00	0.00
Carolina Y. Sales	240.00	1.0	240
TOTALS		1.50	\$ 440.00

Amount Requested: \$440.00

E. Sale of Property

12. Bauch & Michaels provided services to the Debtor in connection with the Sale Procedures Motion. Bauch & Michaels conducted research and discovery, filed the Sale Procedures Motion and a reply, communicated with prospective purchasers, the Debtor, and creditors, conducted settlement negotiations, and attended hearings.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	70.60	\$28,240.00
Kenneth A. Michaels Jr.	375.00	3.40	1,275.00
Carolina Y. Sales	240.00	65.80	15,792.00
TOTALS		139.80	\$45,307.00

Amount Requested: \$45,307.00

F. Schedules

13. Bauch & Michaels provided services to the Debtor related to the investigation and preparation of amended schedules and an amended statement of financial affairs, and other financial disclosure documents required to be filed in this proceeding.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	3.90	1,560.00
Kenneth A. Michaels Jr.	375.00	0.00	0.00
Carolina Y. Sales	240.00	4.20	1,008.00
TOTALS		8.10	\$2,568.00

Amount Requested: \$2,568.00

G. United States Trustee

14. Bauch & Michaels provided services to the Debtor in connection with the Debtor's financial reporting under the United States Trustee's operating procedures for Debtors in possession. These services included attending 341 meetings, reviewing financial records, preparing monthly operating reports, and conferring with the Debtor regarding ongoing compliance with the chapter 11 operating and reporting requirements.

<i>Bauch & Michaels, LLC Employee</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Total</i>
Paul M. Bauch	400.00	4.80	\$1,920.00
Kenneth A. Michaels Jr.	375.00	0.00	0.00
Carolina Y. Sales	240.00	11.80	2,832.00
TOTALS		16.60	\$4,752.00

Amount Requested: \$4,752.00

II. PERSONS PROVIDING SERVICES FOR THE DEBTOR

A. Attorneys

15. The following attorneys are primarily responsible for providing services to the Debtor:

a. *Paul M. Bauch (PMB)* is a partner of Bauch & Michaels. He is a 1983 graduate of the University of Miami School of Law. He was the Chairman of the Creditors' Rights, Bankruptcy and Business Reorganizations Group for a large Chicago law firm for eight years. Mr. Bauch is licensed to practice in Illinois,

Florida and Washington, D.C., a member of the bar of numerous United States Courts of Appeals and District Courts, and a member of the trial bar of the Northern District of Illinois. Mr. Bauch's hourly rate is \$400.00.

b. *Kenneth A. Michaels Jr. (KAM)* is a partner of Bauch & Michaels. He is a 1983 graduate of the John Marshall Law School. Mr. Michaels is licensed to practice in Illinois, is a member of the bar of the United States Court of Appeals for the Seventh Circuit and numerous United States District Courts, and is a member of the trial bar of the Northern District of Illinois. Mr. Michaels' hourly rate is \$375.00.

c. *Carolina Y. Sales (CYS)* is a partner of Bauch & Michaels as of January 1, 2014. She is a 2005 graduate of the John Marshall Law School and obtained an LL.M. in real estate law in 2010. Ms. Sales is licensed to practice in Illinois, is admitted to practice before the United States District Court for the Northern District of Illinois, is a member of its trial bar, and is a member of the bar of the United States Court of Appeals for the Seventh Circuit. Ms. Sales' hourly rate is \$240.00.

III. CALCULATION OF TIME AND FEES AND SOURCE OF PAYMENT

16. Bauch & Michaels' request for compensation and reimbursement for expenses covers the period from January 25, 2016 through and including April 12, 2016. All professional services for which compensation is requested, and all expenses incurred for which reimbursement is requested, have been directly related to the representation of the Debtor, and were rendered for the benefit of the estate

of the Debtor and the creditors. No agreement or understanding exists between Bauch & Michaels and any other person for the sharing of compensation received or to be received in connection with this case, other than as authorized pursuant to Section 504 of the Bankruptcy Code. Bauch & Michaels has not entered any agreement to set fees in this case.

17. As set forth in the attached exhibit, Bauch & Michaels' attorneys have spent a total of 231.80 hours providing necessary legal services for the Debtor and its estate. Therefore, they request compensation for \$73,432.00 for the actual, necessary legal services provided to the Debtor. In addition, Bauch & Michaels has incurred actual and necessary expenses in the sum of \$601.04 in representing the Debtor. In total, Bauch & Michaels requests allowance and payment of \$74,033.44.

18. In preparing this Application for Allowance and Payment of Compensation and Reimbursement of Expenses Incurred as Counsel to the Debtor, Bauch & Michaels has calculated the amount of time spent by each attorney in performing actual, necessary legal services for the Debtor. The data used came from the Timeslips databases that are kept for each Bauch & Michaels client. The hourly rates charged are the hourly rates charged by Bauch & Michaels for comparable services to clients in non-bankruptcy related matters. Bauch & Michaels uses a tenth of an hour system for its clients. Bauch & Michaels' attorney hourly rates are substantially lower than the rates charged by other attorneys in this district with commensurate experience in bankruptcy and business reorganization matters.

19. To aid the Court in its review, Bauch & Michaels has categorized its time by substantive categories, as is summarized in the preceding section of this Application.

BILLING PROCEDURES

20. Time entries are recorded contemporaneously to electronic medium on a regular basis with TimeSlips. The reports of time entries were reviewed for error and revised to correct descriptions of services and to allocate services and expenses among substantive areas. The categories and time spent under each category are as follows:

Category	Hours	Charges
Bankruptcy	36.00	\$11,965.00
Cash Collateral	17.50	5,112.00
Plan & Disclosure Statement	12.30	3,288.00
Professionals	1.50	440.00
Sale of Property	139.80	45,307.00
Schedules	8.10	2,568.00
U.S. Trustee	16.60	4,752.00
Totals	231.80	\$73,432.00

21. Bauch & Michaels also incurred out-of-pocket expenses. Most of the expenses are for bankruptcy filing fees and for postage incurred in connection with the preparing and filing of pleadings with this court and providing notice to various parties in interest. The expenses incurred are described in detail on the attached invoice. The invoice explains the requested fees and expenses sought to be both allowed and paid to Bauch & Michaels by the Debtor.

WHEREFORE, Bauch & Michaels, LLC respectfully requests that this Court enter an order:

1. Awarding Bauch & Michaels \$73,432.00 for the actual, necessary legal services rendered by it to the Debtor during the period covered by the Application Period;

2. Awarding Bauch & Michaels \$601.04 as reimbursement for its actual, necessary expenses incurred in providing actual, necessary legal services to the Debtor during the period covered by this Application Period;

3. Deeming the amounts awarded to be a final award that EHC is directed to pay;

4. Granting such other relief as may be just.

Dated: June 8, 2016

BAUCH & MICHAELS, LLC

By: /s/ Paul M. Bauch

Paul M. Bauch (ARDC #6196619)
Kenneth A. Michaels Jr. (ARDC #6185885)
Carolina Y. Sales (ARDC #6287277)
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